

A Proven Track Record

EEI Financial Conference
November 11-14, 2012

Safe Harbor

This material contains forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should” and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them to reflect changes that occur after that date. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures and the ability of Xcel Energy Inc. and its subsidiaries to obtain financing on favorable terms; business conditions in the energy industry, including the risk of a slow down in the U.S. economy or delay in growth recovery; trade, fiscal, taxation and environmental policies in areas where Xcel Energy has a financial interest; customer business conditions; actions of credit rating agencies; competitive factors, including the extent and timing of the entry of additional competition in the markets served by Xcel Energy Inc. and its subsidiaries; unusual weather; effects of geopolitical events, including war and acts of terrorism; state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an impact on rates or have an impact on asset operation or ownership or impose environmental compliance conditions; structures that affect the speed and degree to which competition enters the electric and natural gas markets; costs and other effects of legal and administrative proceedings, settlements, investigations and claims; actions by regulatory bodies impacting our nuclear operations, including those affecting costs, operations or the approval of requests pending before the NRC; financial or regulatory accounting policies imposed by regulatory bodies; availability or cost of capital; employee work force factors; the items described under Factors Affecting Results of Continuing Operations; and the other risk factors listed from time to time by Xcel Energy in reports filed with the SEC, including “Risk Factors” in Item 1A of Xcel Energy Inc.’s Form 10-K for the year ended Dec. 31, 2011, and Item 1A and Exhibit 99.01 to the Quarterly Report on Form 10-Q.

Company Profile

Compelling Total Returns

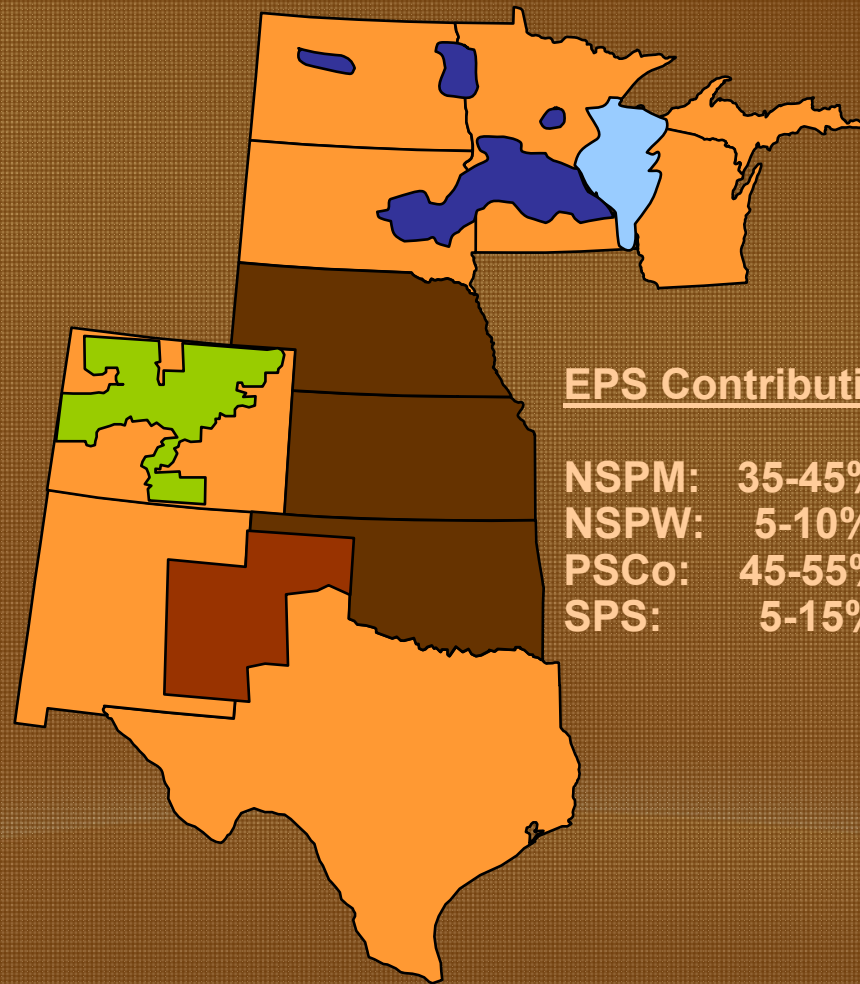
- EPS: 6.9% CAGR (2005-2011)
- Dividend: 3.2% CAGR (2005-2011)

Strong Financials

- Equity ratio of 44%
- Dividend payout ratio of 60%
- Strong credit ratings

Regulated Utility

- 3.4 million electric customers
- 1.9 million gas customers



EPS Contribution

NSPM:	35-45%
NSPW:	5-10%
PSCo:	45-55%
SPS:	5-15%

A Proven Track Record

- ◆ **Strong operational performance**
- ◆ **Successful capital investment program**
- ◆ **Constructive regulation**
- ◆ **Deliver on financial objectives**
 - **Credit ratings maintained within objective range**
 - **EPS growth of 5-7%**
 - **Dividend growth of 2-4%**
- ◆ **Provide compelling total return opportunity**

Summer Heat – Strong Performance

- ◆ Reliability performance on target despite high heat and elevated storm levels
- ◆ Colorado – Hottest summer on record:
 - 64 Days \geq 90°F; 13 Days \geq 100°F
- ◆ Minnesota – 2nd hottest summer on record:
 - 25 Days $>$ 90°F; 2 Days $>$ 100°F
- ◆ Texas
 - 73 Days \geq 90°F; 22 Days \geq 100°F
- ◆ Wisconsin
 - 24 Days \geq 90°F

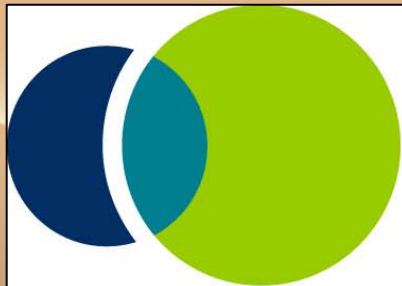
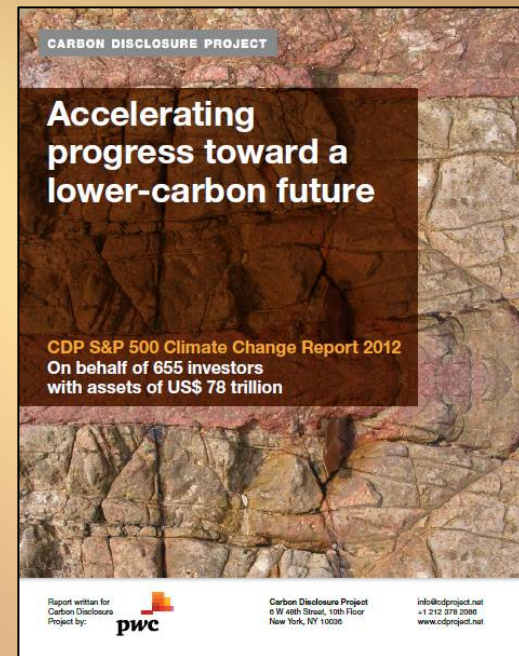
Building Value - On-Time & On-Budget

<u>Project</u>	<u>Cost Est.</u>	<u>On-Budget</u>	<u>On-Time</u>
Jones 3	\$106 million	23% below	11 mos. early
Nobles	\$501 million	1% below	✓
Comanche 3	\$1.4 billion	Within 1%	✓
Fort St. Vrain	\$192 million	19% below	✓
MERP	\$989 million	Within 1%	✓
Grand Meadow	\$213 million	2% below	✓



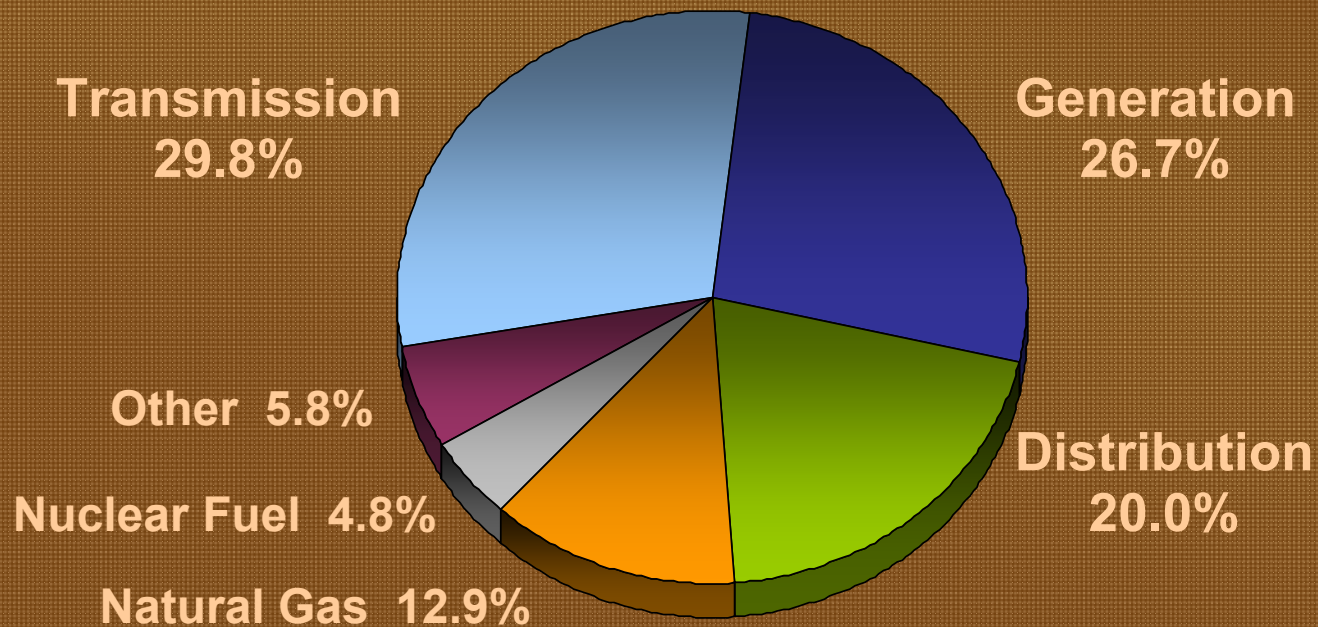
Environmental Leadership

- ◆ Member of Carbon Disclosure Leadership Index for the fifth consecutive year
- ◆ Named to the Dow Jones Sustainability Index for the sixth time
- ◆ No. 1 wind power provider with over 4,000 megawatts online



**Dow Jones
Sustainability Indexes**
Member 2012/13

Attractive Capital Investment



2013 – 2017 Capital Investment = \$13.2 Billion

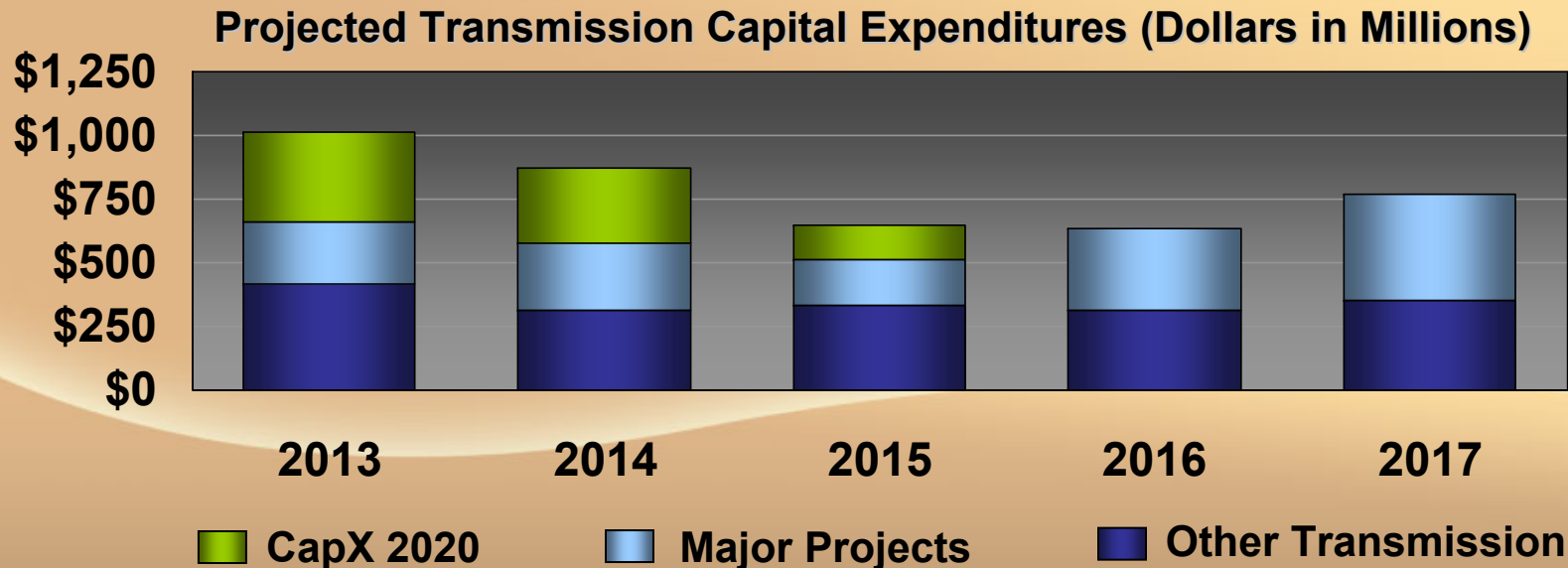
Drives 6-7% rate base growth through 2014

Drives 5% rate base growth through 2017

Capital expenditure forecast includes approximately \$200 million for the Prairie Island uprate, which is pending a MPUC final decision on termination

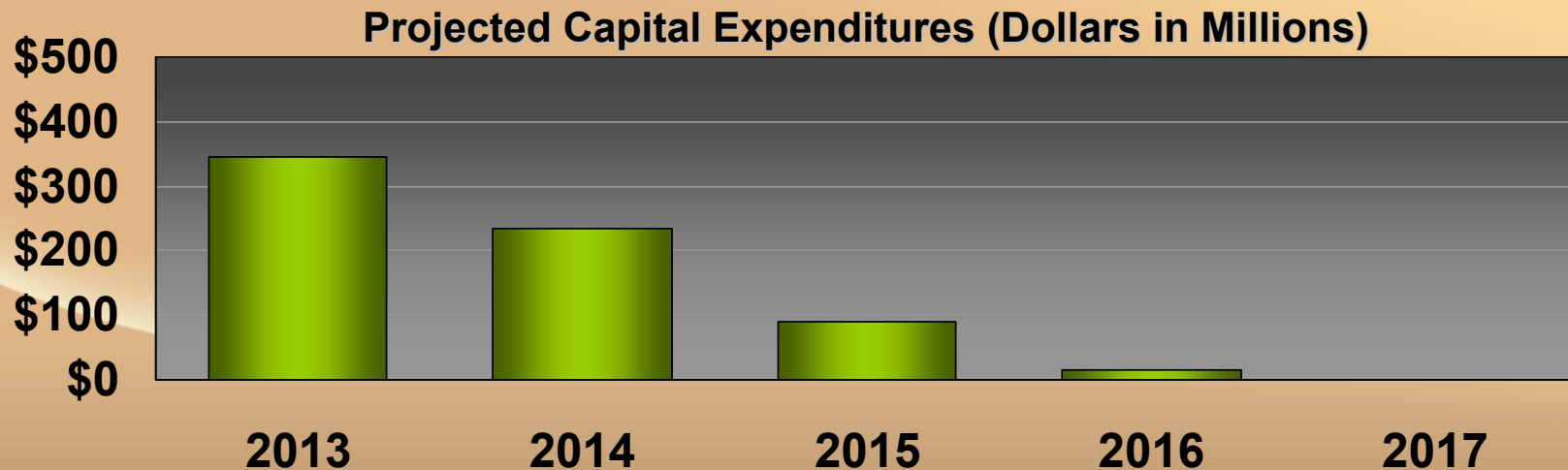
Transmission Expansion

- ◆ 4th largest transmission company
- ◆ 2011 net transmission book value of \$3.6 billion
- ◆ 18,600 transmission line miles
- ◆ Rider recovery in MN, CO, ND, SD and TX



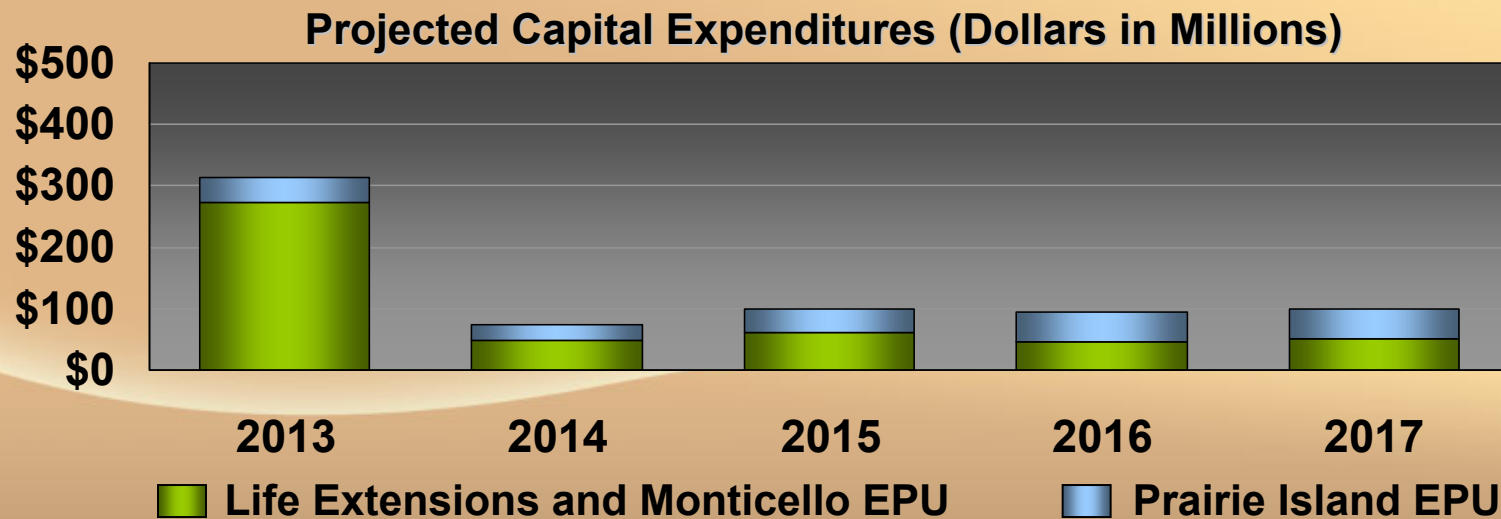
PSCo Clean Air – Clean Jobs

- ◆ Shut down over 640 MW of coal generation
- ◆ Add/convert over 900 MW of natural gas generation
- ◆ Install pollution control on over 970 MW of coal generation
- ◆ Project is expected to be completed by 2017
- ◆ Estimated cost \approx \$1 billion



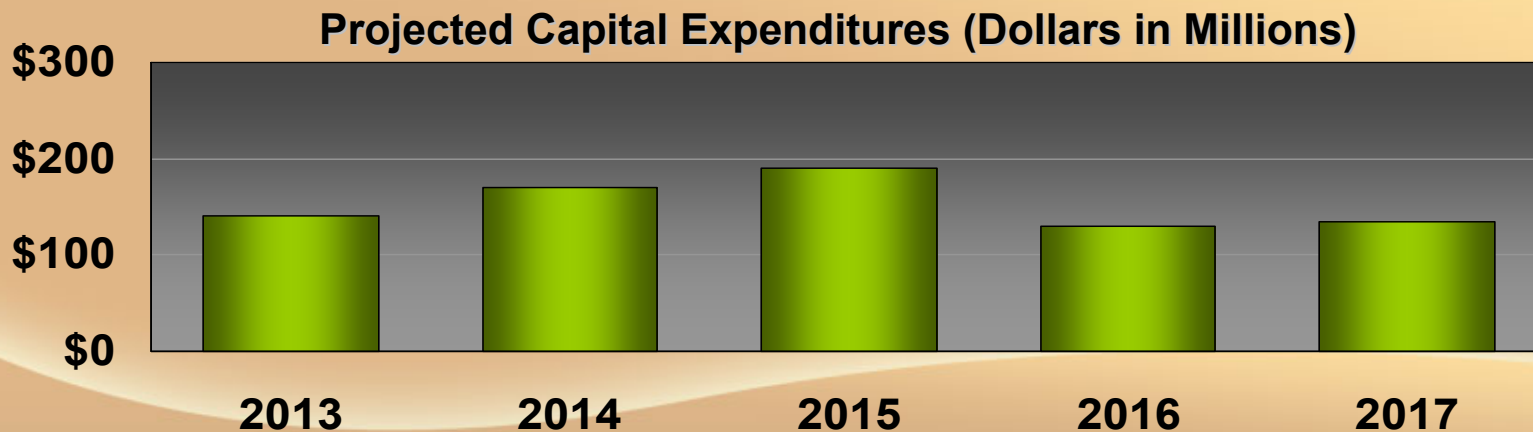
Nuclear Power Life Extension and Uprate

- ◆ Life extensions at both plants approved by MPUC and NRC
- ◆ Monticello 71 MW uprate in service 2013, pending NRC approval
- ◆ Prairie Island uprate
 - MPUC issued order terminating uprate - unless intervenors object
 - Capital forecast includes approximately \$200 million for uprate, which will be removed from the forecast if MPUC cancels uprate

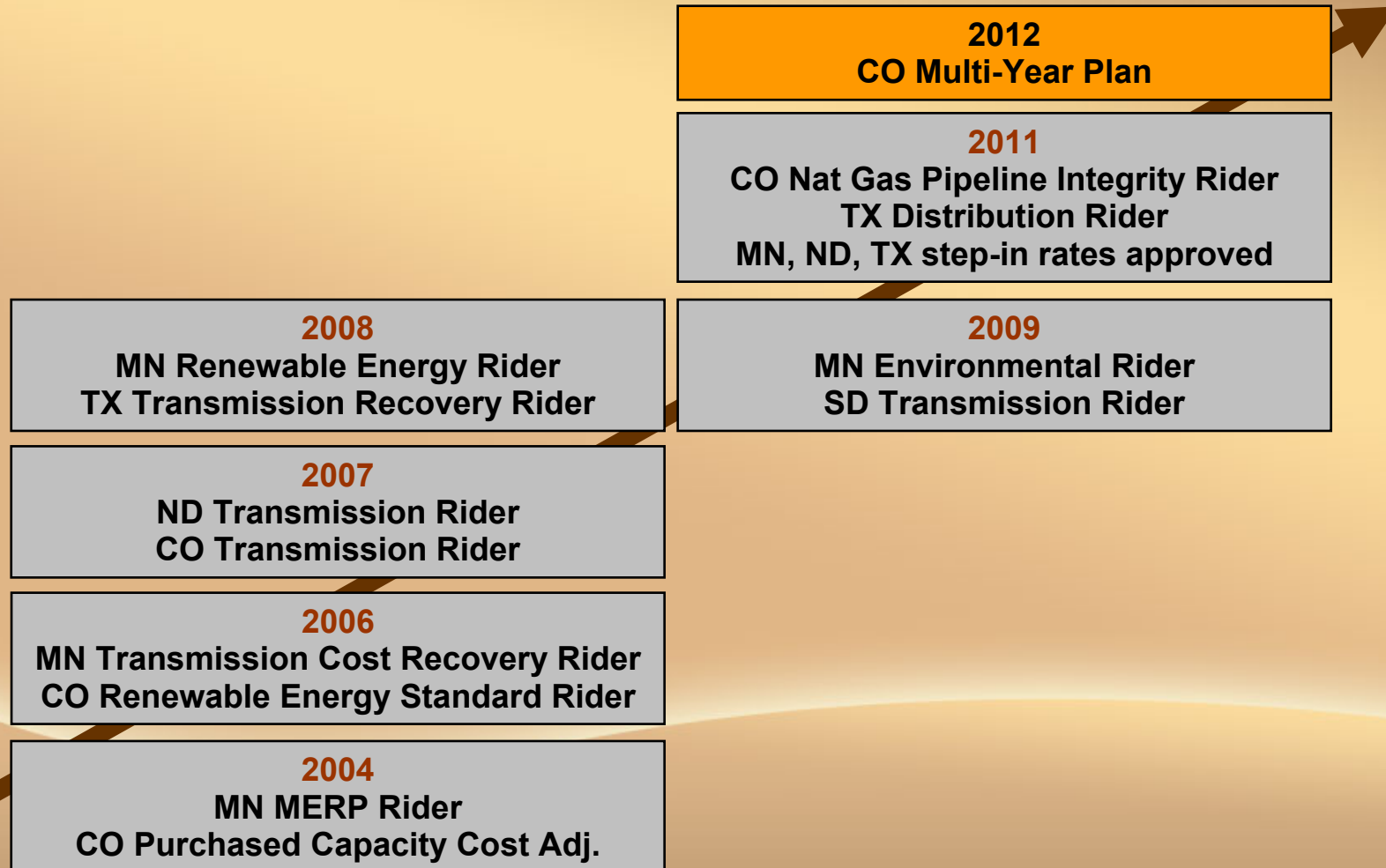


Natural Gas Pipeline Replacement

- ◆ Proactive accelerated natural gas pipeline replacement
- ◆ Expected project timeline 2013 - 2023
- ◆ Forecast period cost = \$765 million
- ◆ Currently recovered through the natural gas pipeline rider



Improving Regulatory Compact



Innovative Colorado Multi-Year Plan

- ◆ Regulatory certainty
- ◆ Focus on managing costs
- ◆ Establishes regulatory framework
- ◆ Potential to reduce regulatory lag

- ◆ Annual rate increases
 - \$73 million May 2012
 - \$16 million Jan. 2013
 - \$25 million Jan. 2014
- ◆ Authorized ROE of 10%
- ◆ Equity ratio of 56%
- ◆ Ability to defer incremental property taxes & amortize over the next three years

Constructive Rate Case Outcomes

Dollars in millions

	Dollar Increase		Return on Equity	
	<u>Requested</u>	<u>Granted</u>	<u>Requested</u>	<u>Granted</u>
CO Electric	\$142	\$114 *	10.75%	10.00%
Minnesota Elec.	\$151	\$73 **	11.25%	10.37%
North Dakota Elec.	\$20	\$16	11.25%	10.40%
WI Gas & Elec.	\$25	\$15	10.75%	10.40%
SD Electric	\$15	\$8	11.00%	9.25%

* *Granted amount is the sum of a multi year settlement covering increases in 2012 - 2014*

** *Granted amount is the sum of the 2011 increase and the 2012 step-up. The settlement also included a \$30 million reduction to depreciation expense*

Minnesota Electric Rate Case

- ◆ Seeking 2013 electric rate increase of \$285 million (10.7%)
 - 2013 forecast test year
 - ROE of 10.6%
 - Equity ratio of 52.56%
 - Electric rate base of \$6.3 billion
- ◆ Requested \$251 million interim rates effective Jan. 1, 2013
- ◆ Anticipate decision in fourth quarter 2013
- ◆ Primary drivers include:
 - Capital investment (\$170 million)
 - Increased property taxes (\$40 million)
 - Lower forecasted sales (\$75 million)

Wisconsin Rate Case

- ◆ Seeking a 2013 electric rate increase of \$39.1 million (6.7%); \$5.3 million (4.9%) natural gas rate increase
 - 2013 forecast test year
 - ROE of 10.4% and equity ratio of 52.5%
 - Electric rate base of \$788.6 million
- ◆ Natural gas filing is solely to recover initial costs of environmental cleanup of a site in Ashland
- ◆ Anticipate a decision in December 2012

South Dakota Rate Case

- ◆ Seeking 2013 electric rate increase of \$19.4 million (11.5%)
 - 2011 historic test year adjusted for certain known and measureable changes for 2012 and 2013
 - ROE of 10.65% and equity ratio of 52.89%
 - Electric rate base of \$367.5 million
- ◆ Anticipate a decision in late 2012 or early 2013

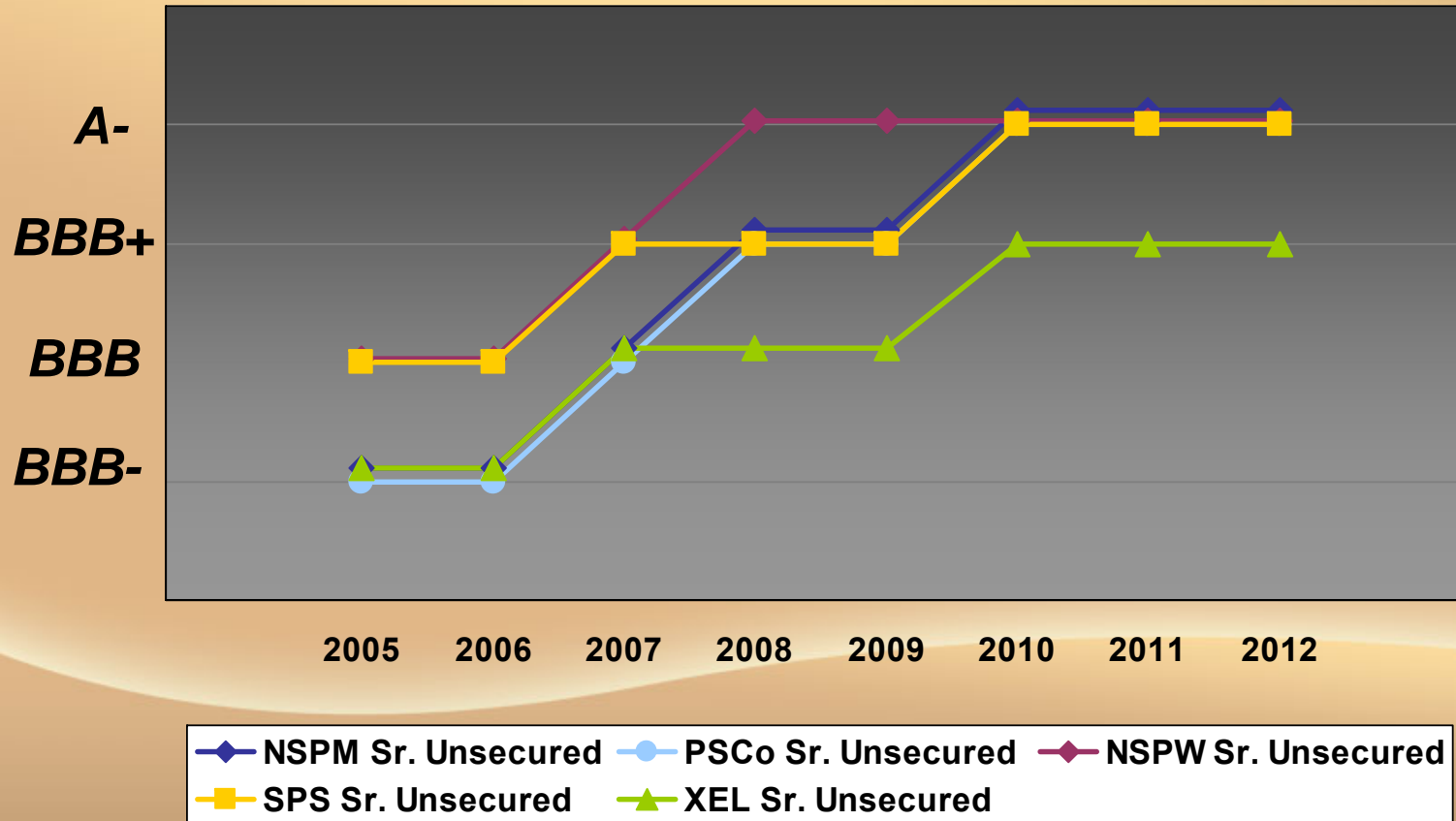
Planned Rate Cases *

	Estimated Timing	Rates Anticipated to be Effective
Texas Electric	Nov. 2012	June 2013
New Mexico Electric	Dec. 2012	Jan. 2014
North Dakota Electric	Dec. 2012	Interim 2013 Q1
Colorado Natural Gas	Dec. 2012	2013

** Filing and timing of rate cases are subject to change*

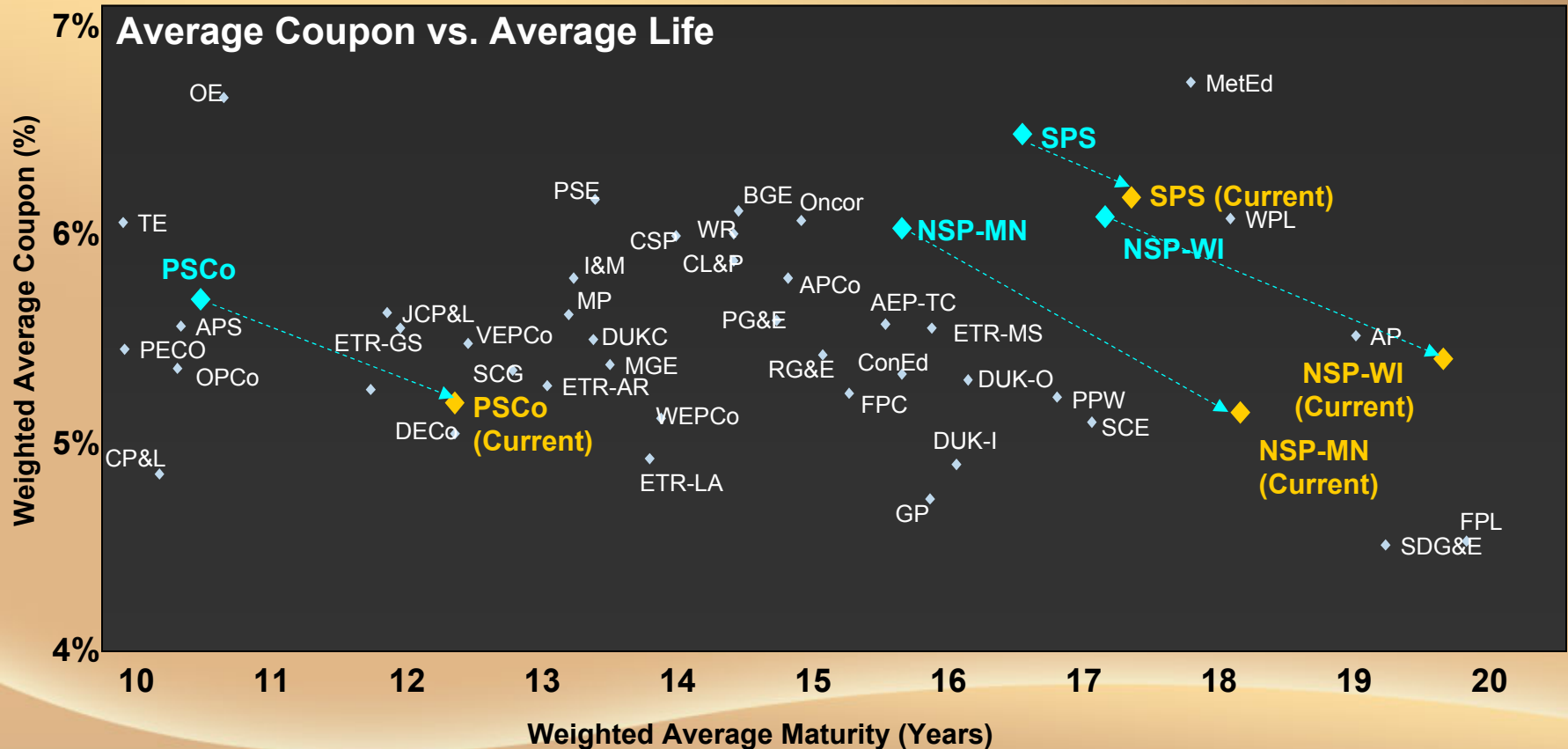
Improving Credit Ratings

S&P Credit Ratings

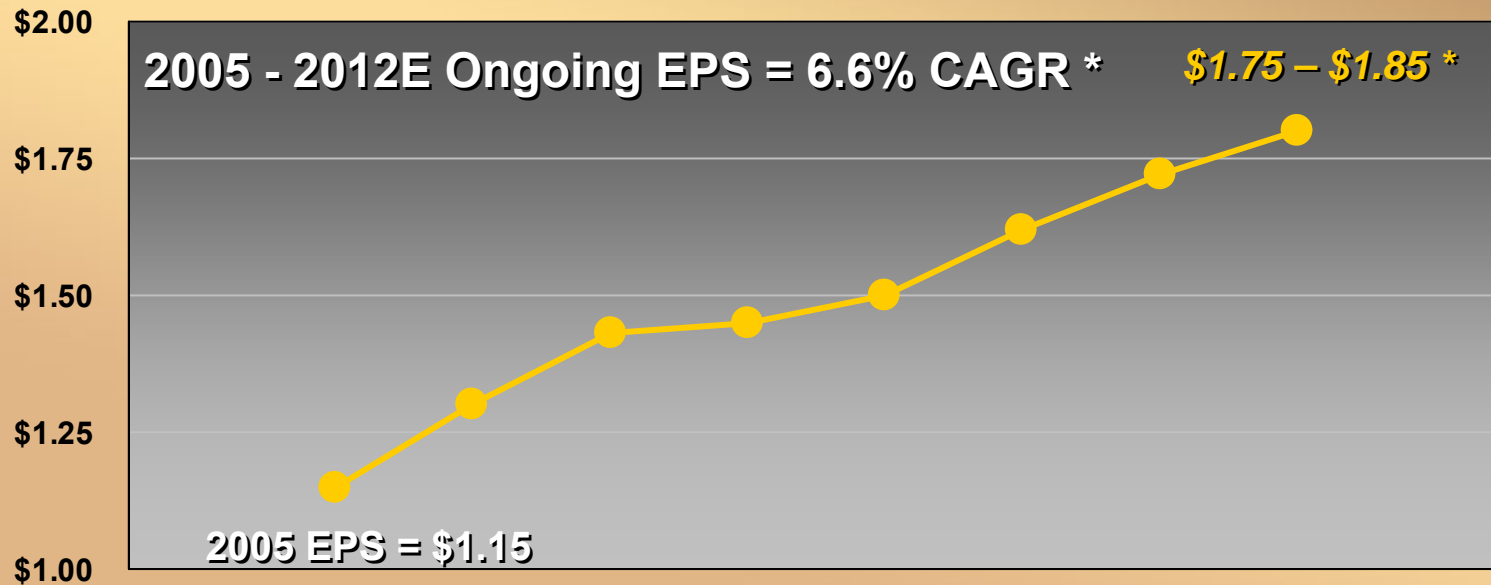


Improving Debt Profile

Extending Maturities and Lowering Coupon Rates



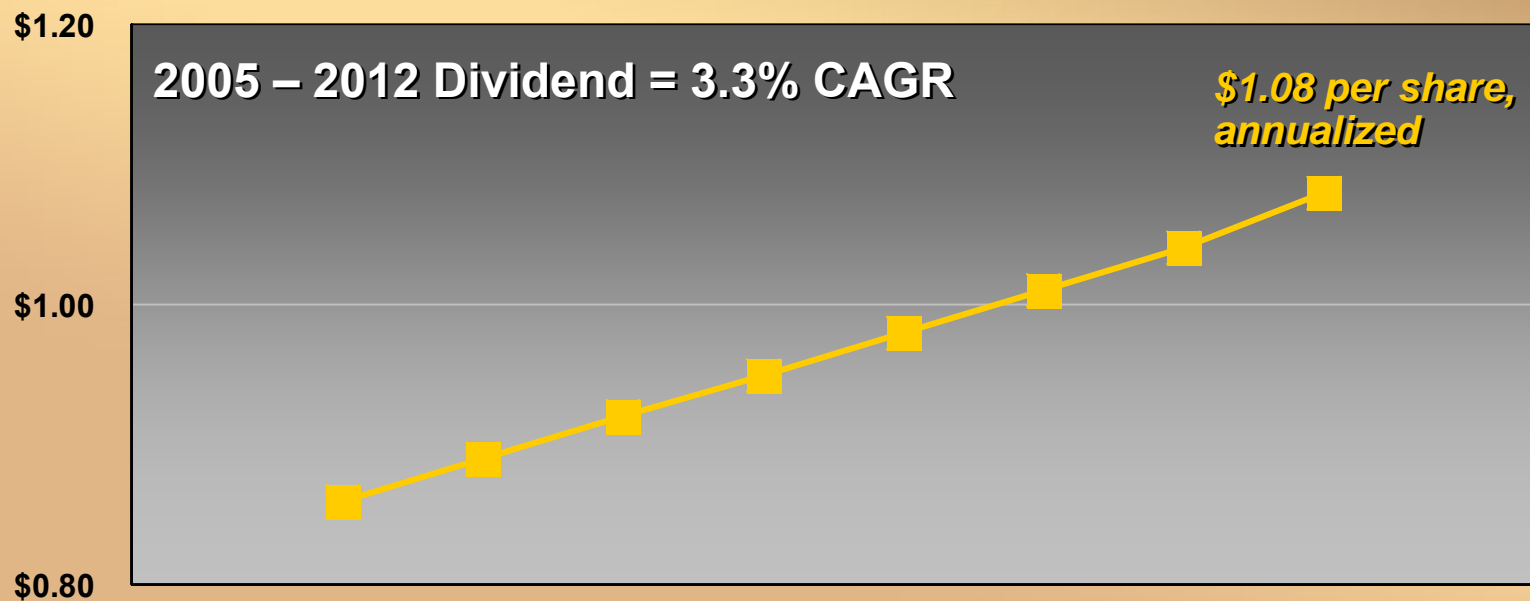
Delivering Strong EPS Growth



	2006	2007	2008	2009	2010	2011	2012E
EPS Guidance	✓	✓	✓	✓	✓	✓	On Track
EPS Growth	13.0%	10.0%	1.4%	3.5%	8.0%	6.2%	4.7% *

* A reconciliation to GAAP earnings is included in the appendix. Estimated Compounded Average Growth Rate (CAGR) and 2012 EPS growth rate both assume meeting midpoint of 2012 EPS guidance of \$1.75 - \$1.85.

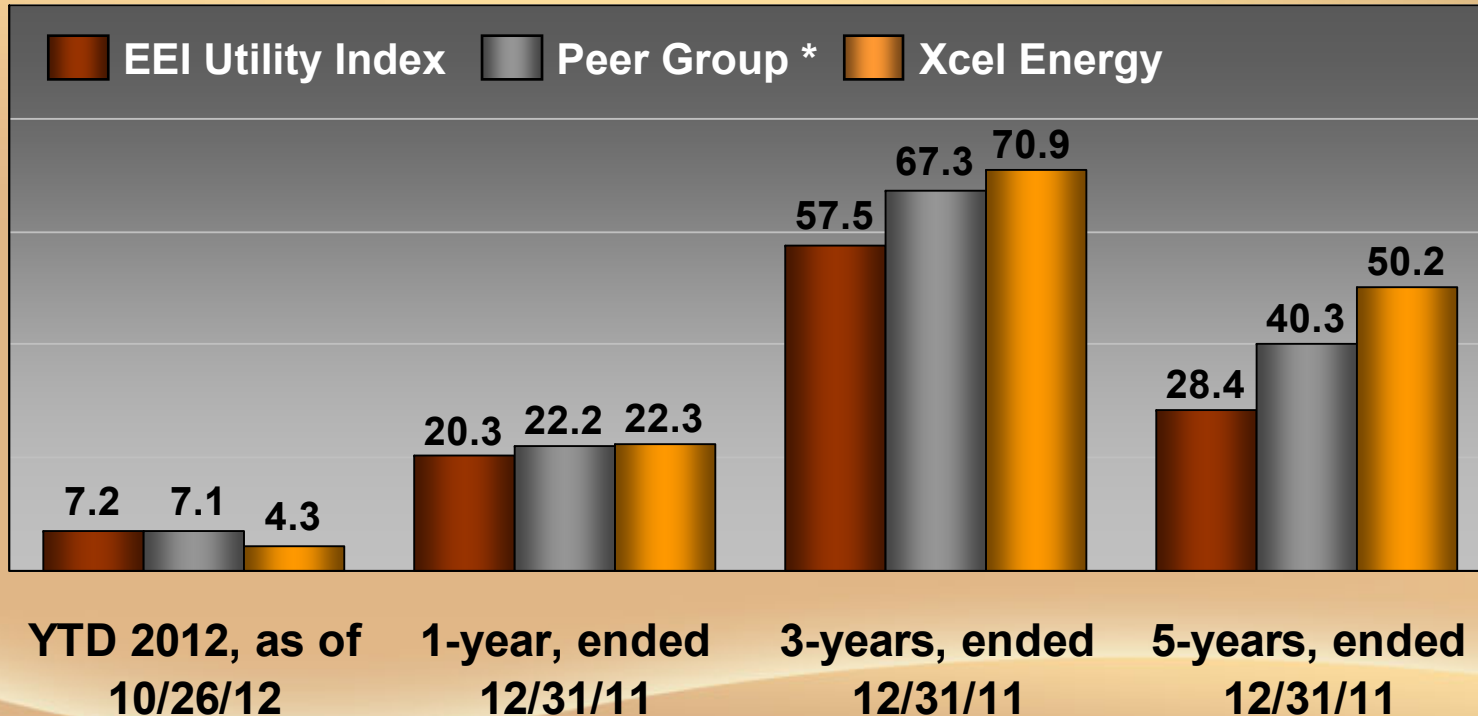
A Secure and Growing Dividend



	2006	2007	2008	2009	2010	2011	2012
Dividend Increase	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.04
Dividend Growth	3.5%	3.4%	3.3%	3.2%	3.1%	3.0%	3.9%

Providing Attractive Total Returns

Percent



* Peer group includes LNT, AEE, AEP, CNP, CMS, ED, DUK, PNW, PCG, SCG, SO and WEC

Delivering Earnings Despite Headwinds

CHALLENGES

- ◆ \$100 million interim rate request in Colorado denied
- ◆ Warm winter weather
- ◆ Lower than forecasted electric and gas sales
- ◆ Declining authorized ROEs
- ◆ Property tax deferral request in Minnesota denied

ACTIONS

- ◆ Strong cost management
- ◆ Colorado multi-year plan approved
- ◆ Implemented tax strategies

2012 Successes

- ◆ Strong operations throughout hot summer weather
- ◆ Extended credit agreements 5 years
- ◆ Opportunistic acquisition of 237 MW of natural gas-fired generation
- ◆ Issued \$1.8 billion of LT debt at record low coupons
- ◆ Implemented multi-year rate plan in Colorado
- ◆ Increased dividend for 9th consecutive year
- ◆ Positioned to deliver earnings within guidance range for 8th consecutive year

On Track

- ◆ **Operations remain strong**
- ◆ **Taking action to earn authorized returns**
- ◆ **Delivering on financial objectives**
 - **Credit ratings maintained within objective range**
 - **5-7% EPS growth**
 - **2-4% dividend growth**
- ◆ **Provide compelling total return opportunity**



Appendix

Reconciliation – Ongoing EPS to GAAP

Dollars per share

	2005	2006	2007	2008	2009	2010	2011
Ongoing EPS	\$1.15	\$1.30	\$1.43	\$1.45	\$1.50	\$1.62	\$1.72
PSRI/COLI	<u>\$0.05</u>	<u>\$0.05</u>	<u>\$(0.08)</u>	<u>\$0.01</u>	<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$0.00</u>
Cont. Ops	\$1.20	\$1.35	\$1.35	\$1.46	\$1.49	\$1.61	\$1.72
Disc. Ops	<u>\$0.03</u>	<u>\$0.01</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$(0.01)</u>	<u>\$0.01</u>	<u>\$0.00</u>
GAAP EPS	\$1.23	\$1.36	\$1.35	\$1.46	\$1.48	\$1.62	\$1.72

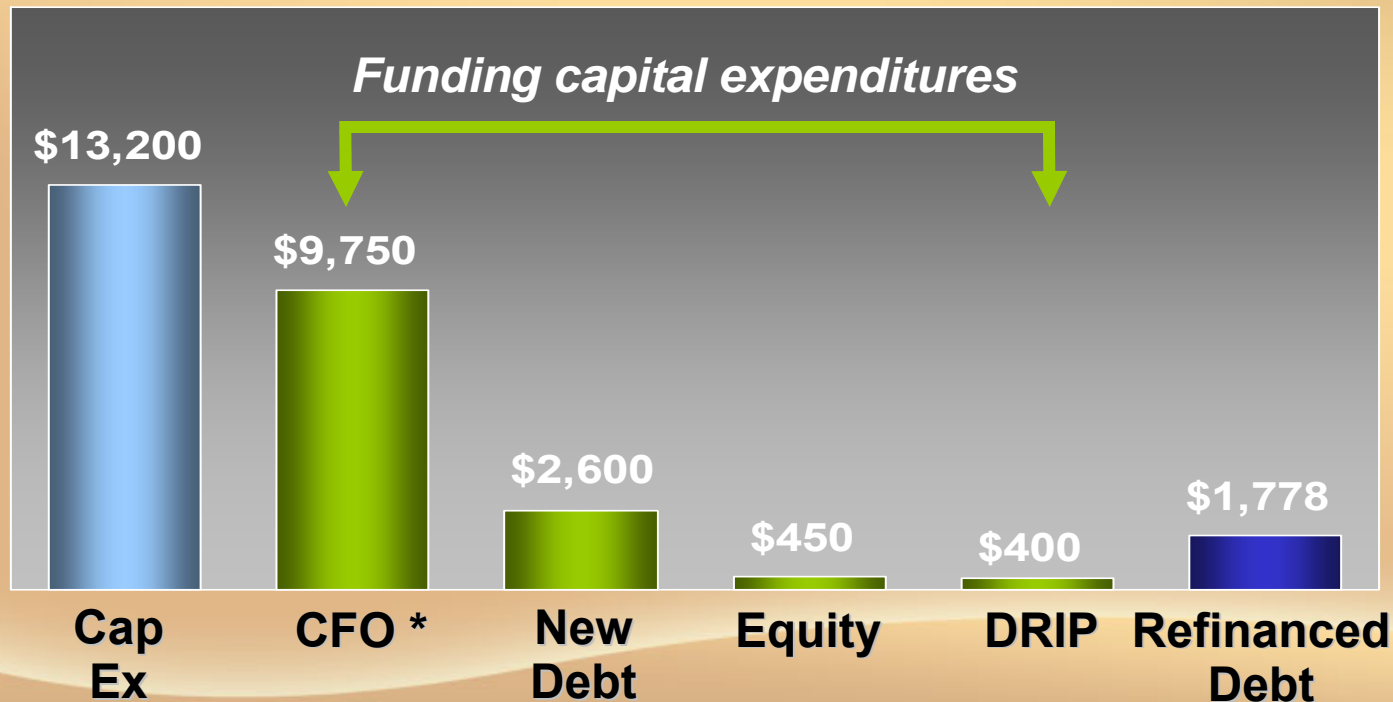
Xcel Energy's management believes that ongoing earnings provide a meaningful comparison of earnings results and is representative of Xcel Energy's fundamental core earnings power. Certain items may include, but are not limited to, unusual and infrequent non-operating items and non-operating tax settlements or adjustments related to prior periods. These items could represent significant charges or credits that impact current results, but may not be related to the Company's ongoing operations and performance. Xcel Energy's management uses ongoing earnings internally for financial planning and analysis, for reporting of results to the Board of Directors, in determining whether performance targets are met for performance-based compensation, and when communicating its earnings outlook to analysts and investors.

2013 Earnings Guidance & Assumptions

- ◆ Xcel Energy's ongoing earnings guidance is \$1.85-\$1.95 per share
- ◆ Key assumptions:
 - Constructive outcomes in all rate case and regulatory proceedings
 - Normal weather patterns are experienced for the year
 - Weather-adjusted retail electric sales projected to grow $\approx 0.5\%$
 - Weather-adjusted retail firm natural gas sales projected to decline $\approx 1\%$
 - O&M expenses are projected to increase $\approx 4-5\%$
 - Depreciation expense is projected to increase \$70-\$80 million
 - Property taxes are projected to increase \approx \$35 million
 - Interest expense (net AFUDC-debt) projected to decrease \$30-\$35 million
 - AFUDC-equity is projected to increase \approx \$15-\$20 million
 - The effective tax rate is projected to be $\approx 34-36\%$
 - Common stock & equivalents projected to be $\approx 490-500$ million shares

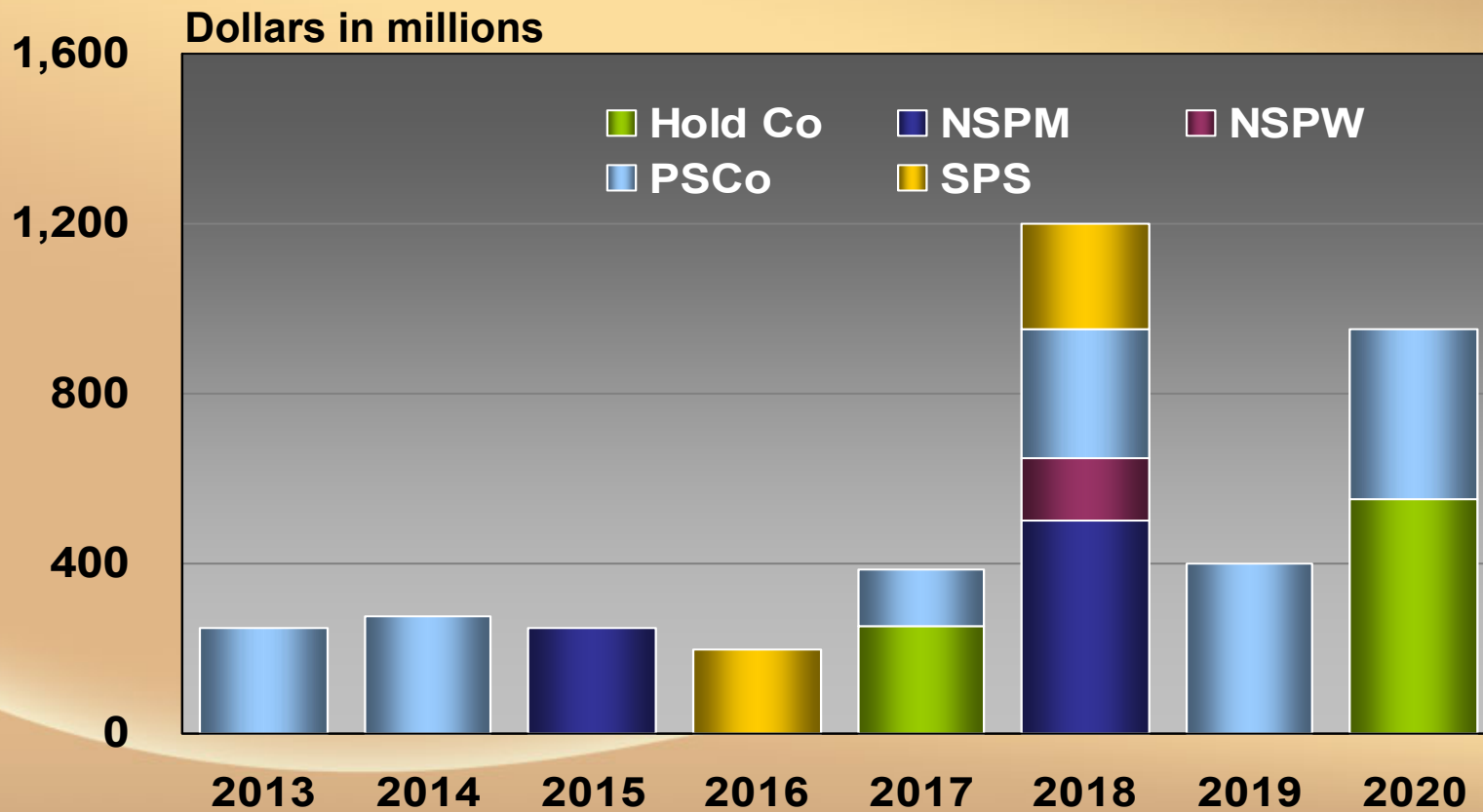
Modest Financing Plan Projected 2013 – 2017

Dollars in millions



* Cash from operations, net of dividend and pension funding

Manageable Debt Maturities



2012 Successes: Debt Issuances

<u>Issuer</u>	<u>Bond</u>	<u>Amount (in millions)</u>	<u>Term</u>	<u>Coupon</u>
SPS	FMB	\$100	30-year	4.50%
NSP-MN	FMB	\$300	10-year	2.15%
NSP-MN	FMB	\$500	30-year	3.40%
PSCo	FMB	\$300	10-year	2.25%
PSCo	FMB	\$500	30-year	3.60%
NSP-WI	FMB	\$100	30-year	3.70%

Strong Balance Sheet

As of September 30, 2012

	<u>Millions</u>	<u>Percent</u>
Equity	\$ 8,850.2	44.0
Current Portion LT Debt	859.5	4.3
Short-Term Debt	304.0	1.5
Long-Term Debt *	<u>10,105.9</u>	<u>50.2</u>
Total Capitalization	\$20,119.6	100.0

** Long-Term debt includes \$400 million of hybrid securities, which receive 25% – 50% equity treatment from the rating agencies*

Excellent Liquidity

Dollars in millions, as of October 23, 2012

	<u>Credit Lines</u>	<u>Available</u>	<u>Cash</u>	<u>Total Liquidity</u>
Hold Co.	\$ 800.0	\$ 584.0	\$ 0.1	\$ 584.1
PSCo	700.0	696.0	0.3	696.3
NSPM	500.0	433.3	0.5	433.8
SPS	300.0	300.0	0.8	300.8
NSPW	<u>150.0</u>	<u>140.0</u>	<u>0.2</u>	<u>140.2</u>
Total	\$2,450.0	\$2,153.3	\$ 1.9	\$2,155.2

Xcel Energy entered into amended 5-year credit agreements that extended the maturity of the credit lines from March 2015 to July 2017

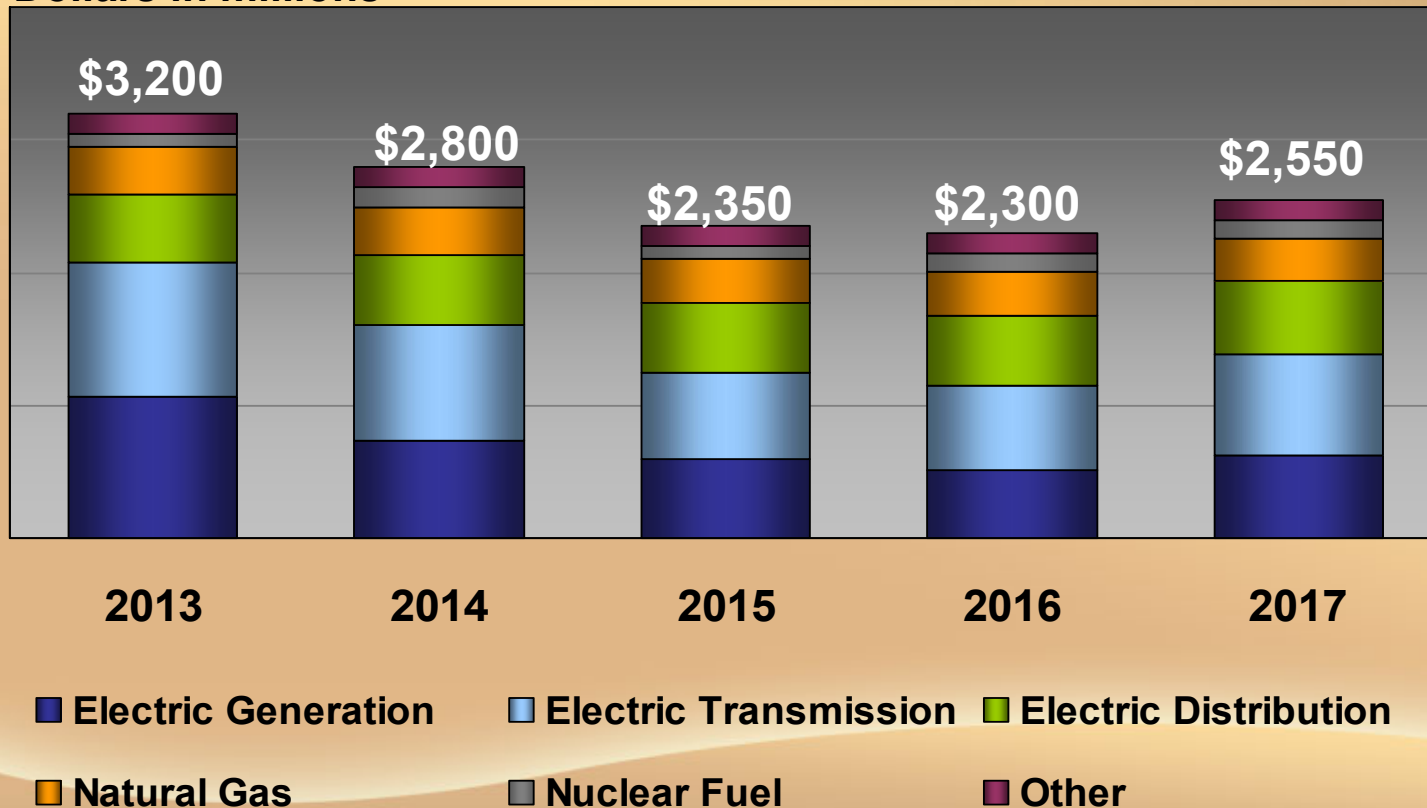
Solid Credit Ratings

	Secured			Unsecured		
	Fitch	Moody's	S&P	Fitch	Moody's	S&P
Hold Co.	–	–	–	BBB+	Baa1	BBB+
NSPM	A+	A1	A	A	A3	A-
NSPW	A+	A1	A	A	A3	A-
PSCo	A	A2	A	A-	Baa1	A-
SPS	A-	A3	A-	BBB+	Baa2	A-

***Rating outlooks are stable at all operating companies except SPS;
 Fitch has SPS on negative outlook***

Capital Investment Pipeline

Dollars in millions



Capital expenditure forecast includes approximately \$200 million for the Prairie Island uprate, which is pending a MPUC final decision on termination

Capital Expenditures by Major Project

Dollars in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Other Cap Ex	\$1,710	\$1,610	\$1,555	\$1,600	\$1,755
CapX2020	350	295	140	0	0
Clean Air Clean Jobs Act	345	235	90	15	0
Life Ext and Monti uprate	272	48	60	47	51
Other Major Transmission	245	260	175	320	415
Gas Pipeline Replacements	140	170	190	130	135
Nuclear Fuel	95	155	100	140	145
PI Uprate	43	27	40	48	49
Total	\$3,200	\$2,800	\$2,350	\$2,300	\$2,550

Capital expenditure forecast includes approximately \$200 million for the Prairie Island uprate, which is pending a MPUC final decision on termination

Capital Expenditures by Function

Dollars in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Transmission	\$ 1,010	\$ 870	\$ 650	\$ 635	\$770
Generation	1,070	735	590	510	620
Distribution	515	525	525	535	545
Natural Gas	355	365	335	325	320
Nuclear Fuel	95	155	100	140	145
Other	155	150	150	155	150
Total	\$3,200	\$2,800	\$2,350	\$2,300	\$2,550

Capital expenditure forecast includes approximately \$200 million for the Prairie Island uprate, which is pending a MPUC final decision on termination

Capital Expenditures by Company

Dollars in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
NSPM	\$1,440	\$1,160	\$950	\$970	\$1,130
PSCo	1,075	1,000	850	800	840
SPS	490	400	305	300	345
NSPW	180	240	245	230	235
WYCO	15	0	0	0	0
Total	\$3,200	\$2,800	\$2,350	\$2,300	\$2,550

Capital expenditure forecast includes approximately \$200 million for the Prairie Island uprate, which is pending a MPUC final decision on termination

Pension Status

- ◆ **Current pension funding status \approx 83% (August 2012)**
- ◆ **We contributed \$190 million in January 2012**
- ◆ **Projected annual funding of \$150 – \$200 million**
- ◆ **Pension assumptions in 2012**
 - **Discount rate = 5.00%**
 - **Long-term rate of return = 7.10%**

Achieve Authorized Returns

	Rate Base	2011 Auth. ROE	2011 W/A Earned ROE	Rate Cases
MN Elec.	\$5,770	10.37%	9.08%	2013
MN Gas	429	10.09	10.08	
ND Elec.	323	10.40	9.05	2013
ND Gas	42	10.75	13.58	
SD Elec.	355	Blackbox	3.90	2012, 2013
CO Elec.	5,391	10.50	8.75 *	2012 MYP
CO Gas	1,144	10.10	8.78	
WI Elec.	672	10.40	10.32	2012, 2013
WI Gas	83	10.40	5.95	2012, 2013
TX Elec.	1,060	Blackbox	9.25 *	2012, 2013
NM Elec.	349	Blackbox	9.35 *	2012, 2014

* ROE's are actual earned, not weather normalized